

SHORT TERM COMPREHENSIVE SINGLE BUYER EXPORT CREDIT INSURANCE POLICY

(FOR EXPORTERS ONLY)

EXPORT-IMPORT BANK OF THE UNITED STATES

In consideration of the payment of premiums and in reliance upon the representations in the application, Export-Import Bank of the United States, an agency of the United States Government, herein called "Eximbank", agrees as follows with the Insured named in the declarations:

ARTICLE 1. WHAT THIS POLICY COVERS

Eximbank will pay you the insured percentage of unpaid amounts owing by the buyer, up to the claim payment limit. The amounts owing by the buyer must be legally owing for covered shipment(s) and must be unpaid due to a covered risk and for 90 days or more after they were due. However, Eximbank will not pay you if the reason the buyer has not paid is because of something you did or failed to do.

The covered risks are:

Risk (1) The buyer's inability to lawfully obtain the payment currency and to pay it to you in the payment country provided: (a) the buyer has made a deposit in a designated depository within 90 days of the date the amounts owing are due and has complied with all applicable regulations, and (b) at the time of the deposit no other lawful public or private market (regardless of size) existed for obtaining the payment currency.

Risk (2) Changes in laws or regulations (under circumstances not due to the fault of the buyer) after you place the goods en route to the buyer and before the amounts owing are due, which prevent the U.S. export or the import into the buyer's country or prevent the deposit specified in Risk 1 from being made.

Risk (3) War, revolution or similar disturbances or arbitrary and discriminatory action by a governmental authority which directly affects the buyer's business and which occurs after you placed the goods en route to the buyer and before the amounts owing are due.

Risk (4) Failure of the buyer to pay for reasons other than the above.

ARTICLE 2. WHAT SHIPMENT(S) ARE COVERED BY THIS POLICY

Each product must be shipped while the policy is in effect from the United States to the buyer named in the declarations. Each must be shipped in accordance with U.S. law, and with the import laws and regulations of the buyer's country. Each product must consist of at least 50% U.S. content, not counting price mark up. This means at least 50% must be produced or manufactured in the U.S. You may not add any value to the products after they leave the U.S. Also, you must comply with all of the terms of the policy, the endorsements and the declarations.

ARTICLE 3. WHAT YOU HAVE TO DO

- (1) Pay the premium in full before the policy is issued.
- (2) Stay at risk for the amount Eximbank does not cover.
- (3) Do everything reasonable to collect from the buyer if you are not paid on the due date. Cooperate with Eximbank to make recoveries.
- (4) Do not ship if you know the buyer is insolvent or has any debts payable to you which are 90 days or more past due.
- (5) Advise in writing if the buyer has not paid any amount for 90 days after it was due.
- (6) Do not agree with the buyer to change any due date unless Eximbank approves the change.

ARTICLE 4. WHAT TO DO TO MAKE A CLAIM

Make a written demand for payment on the buyer and any guarantor at least 30 days before filing your claim.

Fill out and sign the attached proof of loss form completely and accurately. Send it between 90 and 240 days after the date of default. If Eximbank requests you to file a claim earlier, Eximbank will give you 30 days to do it.

If you comply with all the terms of the policy, the endorsements and the declarations and submit a proof of loss form satisfactory to Eximbank, Eximbank will pay you within 60 days after its receipt of the claim. Before Eximbank pays, you must sign a release and transfer all debt obligations to Eximbank. You must also sign a notice to the buyer that all future payments must be made to Eximbank.

ARTICLE 5. CLAIMS EXIMBANK WILL NOT COVER

Eximbank will not pay a claim if:

- (1) You did not file it within the deadline.
- (2) You did not pay the premium.
- (3) You did not comply with all the terms of the policy, the endorsements and the declarations.
- (4) You rescheduled the amounts owing or released the buyer from all or part of the obligation to pay or the buyer's failure to pay was due to the fault of you or your agent.
- (5) The buyer disputes the obligation to pay, unless you have established in the courts of the buyer's country that the buyer's obligation is valid and enforceable or unless you have otherwise settled the dispute to Eximbank's satisfaction.

If you fail to stay at risk for the amount Eximbank does not cover, Eximbank will reduce the claim payment by the amount of the uninsured percentage you were required to keep.

ARTICLE 6. WHAT HAPPENS AFTER CLAIM PAYMENT

After Eximbank pays any claim, Eximbank will take over the collection effort against the buyer.

In the event of recovery:

- (1) Eximbank will deduct its collection expenses;
- (2) then Eximbank will pay you the percentage of the recovery shown in the declarations and Eximbank will retain the remaining percentage of the recovery.

All recoveries will be shared in these percentages even if Eximbank collects more than Eximbank paid you.

ARTICLE 7. GENERAL CONDITIONS

- (1) Changes - Eximbank agrees not to change any policy terms after the policy is issued.
- (2) Notices and Communications - Every communication concerning this policy shall be given to Eximbank.

All communications to Eximbank shall be given to Eximbank at its office at 811 Vermont Avenue, N.W., 7th floor, Washington, D.C 20571 and all communications to the Insured shall be given to the Insured at the address on file with Eximbank or to an insurance broker designated by the Insured.

All communications shall be written and in the English language. All communications to the Insured shall, when mailed or teletransmitted, be effective as of the date specified in such communication. All communication to Eximbank shall be effective only when received by Eximbank.

- (3) Your Records - Eximbank can examine and take copies of any of your records related to this insurance at any time and you will help Eximbank obtain any other information Eximbank may need.

- (4) Action Against Eximbank - No action may be brought against Eximbank prior to 60 days after submission of a complete, accurate and satisfactory proof of loss and unless a written demand is made on Eximbank 30 days prior to bringing such action.

No action of any kind may be brought against Eximbank more than 18 months after the date of default.

Any action or proceeding against Eximbank arising out of or relating to this policy shall be instituted only in a Federal court sitting in the District of Columbia, or the state in which the principal business of the Insured is located.

In any action or proceeding against Eximbank, service of process shall be made upon Eximbank in accordance with Rule 4(d) (3)-(5) of the Federal Rules of Civil Procedure. Service upon Eximbank shall be given to Eximbank at its Office of General Counsel at 811 Vermont Avenue, N.W., Washington, DC 20571.

The construction, validity and performance of this policy shall be governed by and construed in accordance with uniform Federal law.

- (5) Failure to Fulfill Duties to Buyer - you hold Eximbank harmless from any loss resulting from your or your agent's failure to fulfill contractual or legal obligations to the buyer if it results in relieving the buyer of the obligation to pay amounts owing when due.
- (6) Other Insurance - If other insurance is available to pay for a loss covered by this policy, Eximbank will only pay this insurance after the other insurance has been fully paid and applied to reduce the amounts owing by the buyer.
- (7) False Statements - If you knowingly make false statements or conceal facts you should disclose to us, this policy will be void and Eximbank will not pay any claim. If Eximbank has already paid a claim relating to your actions described here, you will promptly refund the payment to Eximbank, with interest.
- (8) This policy may not be assigned or transferred without the prior written consent of Eximbank.

Assignment of any amount payable under this policy shall bind Eximbank only in the event that Eximbank has executed an assignment form, specimens of which are part of exhibit A. If Eximbank pays the assignee amounts that you would not have been entitled to hereunder, you agree to indemnify Eximbank for such amounts plus any costs incurred by Eximbank to enforce this provision.

ARTICLE 8. DEFINITIONS

These words and phrases used in the policy, the endorsements and the declarations have the following meaning:

"amounts owing by the buyer" - the invoice value of the products you sold to the buyer. This amount may include freight, insurance, interest to the extent specified in the interest coverage endorsement or other charges you incurred in connection with the sale of the products. It does not include (a) any amounts you have received from the buyer or any other source toward payment, or (b) any allowances or amounts the buyer or Insured is entitled to use to credit amounts owing.

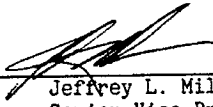
"default" - non-payment of the amounts owing by the buyer on the date the payment is due.

"designated depository" - any agency of the central government of the buyer's country or a financial institution which in the sole opinion of Eximbank is or has been designated by law or regulation for the acquisition and transfer of the payment currency.

"recovery" - (a) any amounts from any source which apply to amounts owing by the buyer, including insured and uninsured interest, for shipments made up to the shipment volume limit; and (b) if there are any other amounts owing, a pro rata share of any amounts received which are not designated by the buyer to apply to specific obligations based upon the amount of claim payment divided by the total indebtedness of the buyer to you.

IN WITNESS WHEREOF, Export-Import Bank of the United States has caused this policy to be executed.

Export-Import Bank of the United States



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